

BALL STATE ECONOMISTS CHALLENGE WAYNE COUNTY

Create a place where workers want to live



Bob Powell of U.S. Bank, left, clarifies a point with presenter Michael Hicks after a talk by Ball State University economists Thursday at Reid Hospital's Lingle Hall. LOUISE RONALD/PALLADIUM-ITEM

Local leaders challenged to think in new way

By Louise Ronald
Staff Writer

Two Ball State University economists have challenged Wayne County to start thinking about economic development in a new way.

Michael Hicks, professor of economics and director of the Center for Business and Economic Research, and David Terrell, director of economic development policy, spoke to a group of about 65 community leaders Thursday at Reid Hospital's Lingle Hall. The luncheon presentation was arranged by the Wayne County Area Chamber of Commerce and the Economic Development Corporation of Wayne County.

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MICHAEL HICKS
professor of economics and director of the Center for Business and Economic Research at Ball State University

Definitions of economic development tend to focus on job creation, said Terrell. "We just unwittingly put ourselves under so much pressure...not to look at other things."

The traditional idea is that companies will locate where costs are low and that, once the companies come, people will follow.

Terrell suggested a new paradigm. Companies want reasonable costs, but they have to go where the people are — and people want to live in places they like. To create places where people want to live, you have to look at the "other things" such as education, health, taxes and crime rates. In other words, quality of life.

"I used to call it Hicks' Law," Hicks said. "In the short run, people move to jobs ... but in the long run, jobs move to workers."

Both Hicks and Terrell made a point of saying they are not opposed to traditional economic development strategies for business attraction and retention. "We're not against incentives," said Terrell.

But research by Hicks and Dick Heupel, director of community and economic development with Building Better Communities, shows that those strategies have a limited role in job creation. In a Economic White Paper published by Ball State in 2013, they reported that in its best year for which data was available, 2010, the Indiana Economic Development

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Corporation “played a role in no more than 1 out of every 22 new jobs created in the state.”

Business retention efforts, Terrell said, can be a source of important information about what companies value about a community. “It often goes back to education and quality of place.”

Both he and Hicks recommend that Wayne County focus on improving that quality of place.

“We are selling a product,” Terrell said. “The community is the product. Therefore we must constantly be in product development and a continuous improvement mode.”

There is, Hicks warned, a lot of improvement to be done.

In his center’s 2012 Community Asset Inventory and Rankings, the county fared poorly.

Counties were rated in five categories: people, including population growth, poverty rate and unemployment rate; human capital-education, including ISTEP scores, highest degrees earned and high school graduation rates; human capital-health, including fertility rate, death rate, cancer incidence, the number of primary care providers and access to healthy foods; government impact and economy, including crime rate and tax rate;



Mary Walker, executive director of Wayne County Convention & Tourism Bureau, left, chats with Norene Groth of Wayne Bank & Trust and Beth Leisure of the Cambridge City Chamber of Commerce before the presentation. LOUISE RONALD/PALLADIUM-ITEM

and arts, education and recreation.

Wayne County scored a D+ in people; D in human capital-education; D+ in human capital-health; F in government impact and economy; and C in arts, education and recreation.

“It was a wake-up call, I think,” said Michael Swain, director of the Purdue University College of Technology at Richmond.

“Seeing that report card felt like a punch in the stomach,” said Mark Soukup, president and chief executive officer of Wayne Bank and Trust Co. “But it didn’t seem like anything we did not know.”

The data isn’t new, agreed Jeff Plasterer of the Wayne County Council. “We’ve heard the same kinds of things (about quality of place, talent at-

traction and education) a few times.” What was different about Hicks and Terrell’s presentation, he said, was the sense of urgency in their message.

Soukup accepts the presenters’ premise that the county needs to address quality of place. “However, what they did not talk about was the time frame to do that,” he said. “These things have to be done, they’re very important ... but they’re so long-term.”

In the meantime, said Soukup, the county can’t abandon traditional economic development strategies to attract and retain jobs. “Because today, that’s what matters. We need to fix those long-term things, but we also need results today.”

Plasterer agreed. “You need to keep doing what

you’re doing” on business attraction and retention while at the same time looking at the long-range issues, he said.

Cambridge City Chamber of Commerce president Beth Leisure appreciated the economists’ message. “If we don’t have the true picture, if we’re not doing the right things, we won’t get the end result,” she said.

The town has made great strides in the appearance of its downtown, Leisure said, but has a lot of work to do on housing and other resources that will attract more people. But she is optimistic. “I think it will happen. We’ve just got to keep plugging away at it.”

Amy Holthouse, president and chief executive officer of the Wayne County Area Chamber of Com-

merce, also was enthusiastic about the presentation.

“It hit home with me for how not all of us have to be doing everything,” she said. Every little bit can help build a better quality of place. “When you’re walking down the street and you see trash, pick it up.” If the community can respond to the data and establish goals, everyone can work toward those goals in ways that suit their own interests.

Allen Bourff, superintendent of Richmond Community Schools, had some questions about the education data presented Thursday. “Based on our figures, we have educational services that are consistent with the state average,” he said. But Bourff agrees with the presenters’ assertion that educational attainment is a valid measure of the economic vitality of a community.

Education and training “comes back to the root of all the progress and change ... that we want,” said Holthouse.

Swain said the presenters’ emphasis on attracting new talent to the community might miss an important point.

“I still feel as if our colleges here in town are ... an untapped resource of talent and ideas,” he said. Perhaps there’s no need to look outside the community for new business possibilities. “Maybe there are some here in town that are just waiting to happen.”

Swain expressed some

doubts about the presenters’ basic premise that quality of place will attract jobs. “To me, it seems like kind of a circular thing,” he said. A big company bringing jobs to the area also could improve quality of place. But Swain said it doesn’t really matter which comes first.

“Why not make this a place where people want to live anyway?” he asked. “It’s not going to hurt anybody.”

Hicks and Terrell praised many recent developments in Richmond and Wayne County, including Communities in Schools, the Positive Place Initiative and the Stellar Communities designation. “The things you’re doing as a county are going to change that data,” Terrell said.

The impact would be great “if you could have the entire community working together the way Richmond did for Stellar,” said Hicks.

“There needs to be a purposeful conversation about what kind of community Wayne County wants to be,” agreed Terrell.

“There’s a lot more to community growth and community economy than bringing in jobs. Frankly, jobs are the icing on the cake,” he said.

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